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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA COMMISSION DIRECTIVE

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THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

<u>DOCKET NO. 2019-189-WS</u> - <u>Application of JACABB Utilities, LLC to Request to Establish</u>
<u>Sewer Pass-Through Rates for JACABB Utilities, LLC and Approval of a Water System and Sanitary Sewerage Asset Purchase Agreement with Triangle Real Estate to Service Rosewood at Clemson Development in the City of Clemson, South Carolina</u> - Staff Presents for Commission Consideration JACABB Utilities, LLC's Request to Extend Waiver and Proceed with Approval of the Application.

COMMISSION ADVISED

On July 11, 2019, the Commission, by Order No. 2019-507, approved JACABB Utilities' request for waivers of certain requirements necessary for it to supply water and sewer service for multi-family student apartments in the Rosewood at Clemson Development. These waivers were to last until August 12, 2019, and were for the following:

- 1. The construction permit from the South Carolina Department of Health and Environmental Control approving the engineering plans and specifications,
- 2. Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the Commission and will furnish adequate service for the area to be served, and
- 3. A letter from the South Carolina Department of Health and Environmental Control approving the system for operation.

If you recall, however, on July 30, 2019, the Petitioner informed the Commission that it would not be able to comply with the deadlines for the waivers as noted in our earlier order. In its letter, the Petitioner states it understands that the transfer of the system is conditioned upon approval by both the Commission and South Carolina Department of Health and Environmental Control, but that it has no control over when construction will be completed and when DHEC will issue the approval to place the system into operation.

Therefore, the Petitioner seeks to extend the temporary waiver until DHEC issues approval to place the system into operation, with the understanding that approval from both the Commission and DHEC are required before the system can be operational and before any charges for water and sewer can be made to the developer and/or tenants of the apartments. Additionally, the utility assures the Commission that it will provide a letter from a professional engineer as soon as construction is complete, and that the professional engineer has issued the letter.

The Office of Regulatory Staff has stated it does not object to extending the temporary waiver, and on August 26, 2019, DHEC issued its wastewater construction permit.

Therefore, I move that we approve the Petitioner's request to extend the temporary waivers until

construction of the system is completed and the DHEC certification has been approved for operation. However, this information and certification letter from an engineer must be provided to the Commission before we issue our final approval to operate. Further, as stated in our previous Directive, I move that we grant this request with the understanding that the appropriateness and the sufficiency of the company's current financial security, in light of this proposed expansion, is not being ruled upon at this time by granting this waiver request. Additionally, as already ruled upon by this Commission, the question of appropriateness and sufficiency of the company's current financial security is reserved and will be explored as part of the Commission's ongoing evaluation of the Application.

| PRESIDING: <u>Randall</u> | | | | | SESSION: <u>Regular</u> TIME | | | | | | : 2:00 p.m. | | | |
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| | MOTION | YES | NO | OTHER | | | | | | | | | | |
| BELSER | | ✓ | | | | | | | | | | | | |
| ERVIN | ✓ | ✓ | | | | | | | | | | | | |
| HAMILTON | | ✓ | | | | | | | | | | | | |
| HOWARD | | ✓ | | | | | | | | | | | | |
| RANDALL | | ✓ | | | | | | | | | | | | |
| WHITFIELD | | ✓ | | | | | | | | | | | | |
| WILLIAMS | | ✓ | | | | | | | | | | | | |
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| (SEAL) | | | | | | | RECC | RDE | D BY: | J. Scl | nmied | ing | | |